

IT Initiative Supplement

April 30, 2010

I. Project Description

Project Title: ITO 1-14 – MPD - Replace or Upgrade Customer Relationship Management (CRM) System

Brief Description of the Project Title: Replace or Upgrade Customer Relationship Management (CRM) System

Statewide Priority:

Agency Priority: 7

Estimated Completion Date: FY13

IT Project Biennium: FY12-FY13

Request Number: Commerce IT Strategic Plan Initiative #4
EPP/Budget Ref: 5210

Version: 1

Agency Number: 6501-052

Agency Name: Department of Commerce

Program Number: 526201

Program Name: Electronic Marketing

A. Type of Project (check all that apply)

Enhancement	X
Replacement	X
New	
O&M	

B. Type of System (check all that apply)

Mid-Tier	X
Mainframe	
GIS	
Web	X
Network	
Desktop	X

II. Narrative

C. Executive Summary

Project Purpose and Objectives: Pending the outcome of an IT audit/study being performed in the first quarter of 2010, MPD will replace or upgrade our current Siebel/Oracle CRM system. This is both a cost saving and improved business process effort. Our goal is to provide better customer service to both our internal and external users. We also are attempting to integrate several ancillary applications at the MPD to reduce risks, redundancy and cost.

Technical Implementation Approach: This is still being evaluated by the MTOT. There are basically two paths we can follow. 1. We can upgrade the current software application and telephony. 2. We can replace the system with a mature Web service based on cloud architecture and a pay as you go model to service our customers. (ex- Salesforce.com)

Project Schedule and Milestones:

ITPR- July 2011
RFP- September 2011
Vendor Selected/Contract Award- December 2011
Project Start- January 2012
Project completion- January 2013

D. Business and IT Problems Addressed

- Enhanced Inventory/Fulfillment Management
- Workflow to manage campaigns and core functional business requirements
- Data Mining- Including campaign response probability and customer retention risk
- Configured reports, out-of-the-box reports and charts for analyzing budgets, campaigns, events, leads and ROI
- Leads Management- Automated generation of leads, distributes leads in real time, and tracks lead follow-up.
- Call scripting to help guide counselors through specific campaigns
- Integrate Web/Call Center stats for more precise marketing analysis
- More focused Web marketing and relationship building with our customers
- Architecture allows for Web Services and XML feeds

E. Alternative(s)

Alternatives Considered: Alternatives are discussed in the technical approach section.

Rationale for Selection of Particular Alternative: The IT and business needs are clearly established. The two approaches identified above are the most common approaches. We will have a better idea of our approach when we get the results of our audit.

F. Narrative Detail

The MTOT will use the RFP process to find a contractor to perform the upgrade. We propose to upgrade both the telephony hardware and software and the Siebel/Oracle customer relationship management software.

III. Costs

G. Estimated Cost of Project:

- 1. Personnel Services – IT Staff:** Project can be completed with current staffing. No additional hours required
- 2. Personnel Services – Non IT Staff:** Project can be completed with current staffing. No additional hours required
- 3. Contracted Services:** Upgrade- \$60,000.00
- 4. ITSD Services:** None identified
- 5. Hardware:** Upgrade- \$10,000.00
- 6. Software:** Upgrade- \$60,000.00
- 7. Telecommunications:** Upgrade- \$20,000.00
- 8. Maintenance:** Upgrade- \$20,000.00
- 9. Project Management:** Upgrade- \$30,000.00
- 10. IV&V:** Upgrade- \$20,000.00
- 11. Contingency:** Upgrade- \$25,000.00
- 12. Training:** Upgrade- \$5,000.00
- 13. Other (Service Charge):** Upgrade- \$0.00
- Total Estimated Costs:** Upgrade- \$250,000.00
- Total Funding:** Upgrade- \$250,000.00

IV. Funding

H. Funding

1. Fund: Bed Tax 725S1

2. Amount: Upgrade- \$250,000.00

3. Total Costs: Upgrade- \$250,000.00

Cash/Bonded:

Bill Number:

V. Cost upon Completion

1. Operating Costs upon Completion

FTE: .2

Personal Services Costs: \$0.00

Operating Costs: \$0.00

Maintenance Expenses: \$0.00

Total Estimated Costs: \$0.00

2. Funding Recap

Fund Type: Bed Tax 725S1

Amount: \$0.00 Link charges

Total Funding: Upgrade- \$0.00

V. Risk Assessment

A. Current IT Infrastructure Risks

1. Current application 10+ years old? _No_
Date of last major upgrade? 09/2005
2. Current application is based on old technology? _Yes_
If yes, what is the current hardware platform, operating system, and programming languages used to support the application?

3. Is the agency not capable of maintaining the current application with internal technical staff? _No_

If yes, who supports the application today? Contract with Perficient Inc.

4. Other IT infrastructure risks? _Yes_

If yes, provide further detail. The longer we wait the more complicated the upgrade path will become. It also becomes more expensive the more versions we are out of date. We are running Public Sector 7.7.2.6 SIA with build number [18372]. The most recent version of Public Sector available at this time is 8.1.1.2.

B. Current Business Risks

1. What are the risks to the state if the project is not adopted? The result would be lost revenue through lower Bed Tax collections and loss of business in Montana tourism and related industries.

2. Does the current application meet current business requirements? _Yes_
If “no”, what specific business functions does the application lack?

Due to loss in functionality the current MTOT CRM system is not completely integrated with our other marketing and fulfillment systems.

C. Project Risk Assessment

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

Table H Risk Assessment

Description	Severity (H/M/L)	Probability of Occurrence (%)	Estimated Cost	Mitigation Strategy
Whenever a very complex system is upgraded or replaced, there are risks with the project implementation and project costs.	H	50	25%	Tight requirements definition; Tight SOW; Contingency funds available